

SOME CHANGES IN CHINESE COMMUNIST POLICIES TOWARD
KEY SOCIAL GROUPS

I. ORGANIZATION

This paper is presented in outline form. Following the introduction there is an examination of past and present policies toward intellectuals (both literati and professional persons), the "national bourgeoisie", the peasants, and "democratic personages" or non-Communist politicians. Each section is divided into the following four headings:

- a. Past policy
- b. Present policy
- c. Necessity for a policy change
- d. Context and perspective

II. ORIGIN OF NEW POLICIES

The June 1956 National People's Congress elaborated on several policy changes. Several were first stated earlier in the spring:

- A. On 2 May Mao Tse-tung, for the benefit of intellectuals, said
"Let all flowers bloom at the same time and let all schools of thought vie with one another."
- B. Since February the State policy toward the national capitalists has evolved from the use of intimidation to "education by persuasion". The former capitalists are also to have a larger role in managing the joint State-private enterprises.
- C. Mao and the Central Committee in April issued an instruction that the "enthusiasm of the peasantry for production" is to be heightened by giving "a higher income to 90% of the peasants in China.... The relationship between the individual cooperative member and the collective "is to be 'consolidated'".
- D. The head of the United Front Department of the Party, speaking for the Central Committee in July, stated that party policy toward non-Communist political parties is to "continue to consolidate and expand the Peoples Democratic United Front". He also said "there should be mutual supervision of political parties, and first of all, supervision over the Chinese Communist Party."

III. DISCUSSION OF POLICIES

A. INTELLECTUALS

"Let all flowers bloom at the same time and let all schools of thought vie with one another."

1. Literati

a. Past policy

- 1) May 1942: From a speech by Mao Tse-tung at a forum on literature and arts at Yenan:

"Will not Marxism-Leninism then destroy the creative spirit? Yes. It will destroy any brand of creative spirit which is not of the masses and of the proletariat. And is it not right that these brands of creative spirit should be destroyed as far as proletarian writers and artists are concerned? I think so. They should be extirpated to make room for the new."

- 2) September 1954: Liu Shao-Chi and Chou En-lai claimed that the Government's measures of thought reform had succeeded with all but "a handful of reactionary intellectuals".

- 3) Spring 1955: A mass campaign was launched against the idealism of Hu Feng, a pro-Communist writer. Hu had called upon the CCP Central Committee to eliminate the "Five Daggers" which, he maintained, literary dictatorship was thrusting into the brains of writers. These were that the writers:

- a) must have a Communist world view;
- b) must submit to thought reform;
- c) must "penetrate" the lives of workers, peasants and soldiers;
- d) must produce work of prescribed national form; and
- e) must only treat topics declared to be of great significance.

- 4) April 1, 1955: Kuo Mo-jo wrote an article for the Peking People's Daily entitled "Anti-Socialist Program of Hu Feng". Kuo said that to admit influences from the past and from other countries, as Hu wished, would be "to drag all the people into a swamp of cosmopolitanism." Kuo further explained that the question of subject was not whether a writer should treat topics of primary or secondary importance, but "whether he should serve the most important task at a given moment."

On the question of variety Kuo said:

"The content (of Hu's demands) in essence comes to this: to dissolve the united organization of literary and artistic workers; to split the unity of the ranks of the writers; to liquidate collective leadership; to cease publication of the present literary journals and replace them with magazines published by different people who represent 'qualitatively different tendencies' of literary artistic thought; to bring about free competition in the manner of the capitalistic market. . . ."

"It is completely clear that by following this program. . . one could liquidate the system of unity of the mass organizations and unified leadership of these organizations, create a state of confusion, of universal divergencies, disorganization and absence of leadership. . . ."

This policy is one of "unity of writers" or conformity of thought.

b. Present policy

June 1956: Excerpts from a speech by Shen Yen-ping, Minister of Culture, at the National Peoples Congress in which he elaborated on the theme of "Let all flowers bloom at the same time. . . .":

"It is our opinion that, in accordance with the policy of 'let all flowers bloom at the same time' . . . we should study western music and oil painting but should not neglect to carry on and develop our own legacies in music and the arts. . . . As long as it is a 'flower', we should let it 'bloom'. The greater the varieties and styles, the better it is."

"It is our opinion that, according to the policy of 'let all schools of thought vie with one another,' we should let all schools of thought in literature and the arts prove their worth by means of free discussion and mutual competition. We believe that the Socialist and realistic methods of creative writing are the best to reflect reality truthfully, that they point out to us the law of social development. Therefore, they are the best methods. We promote and publicize the Socialist and realistic methods of creative writing, but we also advocate that all writers should have complete freedom in choosing their respective methods of creative writing. That is, we should follow the principle of self-willingness. The victory of Socialist and realistic works of literature should be won by more and better writings, and should not depend on artificial measures."

"The people are tired, not because the great social events have been mentioned again and again, but because all the themes and the way in which they are depicted have invariably been similar. The people urgently want us to depict more important social events of the present era in more of our works, in a more lively and penetrating form. It is our opinion that the depiction of important social events is and will be the main direction toward which the efforts of writers should be channeled. However, this does not mean that we will exclude all other subjects. In addition to important social events, all facts of life not harmful to the undertakings of the people can be used for literary themes.

"Our literature should be made to serve the people, especially the workers, peasants, and soldiers. There should be no doubt about this... Here we must realize that 'let all schools of thought vie with one another', instead of creating confusion in thought, will overcome the subjectivism and dogmatism of the dominating school of thought and thereby lead finally to basic parallelism of thought and concepts."

c. Necessity for a policy change

Excerpts from Shen Yen-ping's speech:

"The main question concerning work in the fields of literature and the arts has been that of quality. In the first six months of this year most theaters failed to attract large audiences. Why was this so? The reason was that there was a lack of good new plays. What is the key to the question of quality? The complaint of audiences and readers has invariable been that the plays are dull and dry because of their similarity. The faults have been generalization, formalism, and narrow scope in the choice of themes."

"Limited scope and monotonous themes are common defects of today's literary works. Superficially it seems that the limitations in scope and monotony of themes are attributable to the depiction of important social events by all writers and artists, but actually many great social events still have not been employed as themes."

"If important social events are the sole theme of our writings, and if the latter are similar in form and content, the people will complain. As a matter of fact, they have already complained."

d. Context and perspective

The violent suppression of Hu Feng and his associates obviously resulted in the intimidation of other writers to the point that their work has become mere parroting of the officially accepted line of thought. The new line is an attempt to induce work of a higher literary standard and at the same time to preserve the Communist theme in the writings.

Many of Kuo Mo-jo's criticisms of Hu Feng are specifically contradicted by Shen Yen-ping.

- 1) Kuo's statement that to admit influences from the past and from other countries would lead to "cosmopolitanism" is refuted by Shen in saying that western music and painting should be studied.
- 2) Suitable subjects for artistic endeavor are broadened by Shen to include "all facts of life not harmful to the undertakings of the people" as well as "important social events".
- 3) Kuo's thesis that variety of themes would lead to "a state of confusion, of universal divergencies, disorganization and absence of leadership" is denied specifically by Shen in saying "let all schools of thought vie with one another", instead of creating confusion in thought, will overcome the subjectivism and dogmatism of the dominating school of thought and thereby lead finally to basic parallelism of thought and concepts. "

Hu Feng is not to be considered vindicated of his crimes, however, even though much of the ideological criticism levied against him is now invalid. His name is not mentioned once in the proceedings of the session of the NPC. This must be interpreted to mean that Hu Feng is still considered guilty of counterrevolutionary activities because he criticized the Communist Party and program.

The new line cannot, therefore, be considered to mean let ALL schools of thought contend, but let all approaches to the Communist goal in literature, i. e. the ideological training of the people, contend with one another. No criticism of Communist programs or of materialism will be allowed under this new 'liberal' line, any more than under the old line of unity of thought. Shen pointedly said "so long as it is a 'flower', we should let it 'bloom'". Hu Feng apparently is still considered as growing weeds instead of flowers even though he was pro-Communist well before 1949.

The "Five Daggers" thrusting into the brains of writers are largely unaffected by the new policy as interpreted by Shen. Writers must still have a Communist world view, must still submit to thought reform, must still penetrate the lives of workers, peasants and soldiers. Dagger number four is modified slightly in that artistic works of the west are now considered open to study but production must still be according to the prescribed national form.

The fifth dagger, that writers must treat only topics declared to be of great significance, is also modified but not to the extent that it might at first appear. Suitable topics may now include "all facts of life not harmful to the undertakings of the people" but, as Shen points out, "the depiction of important social events is and will be the main direction toward which the efforts of writers should be channeled." Considering the widely publicized fate of Hu Feng, it is not considered likely that many intrepid writers will experiment to find out which facts of life are considered harmful to the undertakings of the people.

Mao, it seems, was right when he said in 1942 that Marxism-Leninism will destroy the creative spirit. The old creative spirit has been destroyed and there is plenty of room for the "new", but, at this point, no new creative spirit has arisen to take its place.

2. Professionals -- Scientists, teachers, engineers, doctors, etc.

a. Past policy

1) San Fan (3-Anti Movement) 1951-52

The 3-anti movement was ostensibly launched against "corruption, waste, and bureaucratism" in the CCP and the state bureaucracy but actually was used by the Communists to eliminate political undesirables and to intimidate those who remained. WW Rostow sums up the uppermost motives in the minds of the Communist leaders that led to the San Fan movement in his book The Prospects for Communist China:

"First, they desired to eliminate as many of the ex-KMT and other collaborators of doubtful Communist sympathy as they could afford to dispense with, given the rate at which adequate new cadres were coming forward....

"Second, the top leadership wished to assert its overriding authority against the burgeoning bureaucracy and thus prevent the development of the notion that the bureaucracy could proceed in safety to gather to itself comfortable areas of authority."

"Third, the 3-Anti Movement was used as an occasion to reassert the unity of the Communist Party as a whole."

2) Wu Fan (5-Anti Movement) 1951-52:

The Wu Fan campaign was ostensibly launched against the commercial evils of bribery, tax evasion, fraud, theft of state assets, and leakage of state economic secrets. In effect it was an attack on the residual middle classes who were prepared to work with the Communists under the new system. Intellectuals were considered "petty bourgeoisie" socially at that time and, while the main attack was directed at the national bourgeoisie, the intellectuals were also intimidated.

3) As a result of these two campaigns lower party cadres regarded the intellectuals suspiciously and many intellectuals became reluctant to state opinions even on professional matters.

(a) Excerpts from a speech to the June 1956 National People's Congress by Lo Lung-chi on intellectuals:

"During the past few years, as a result of the Three and Five Anti's Campaigns, the struggle to suppress counterrevolutionaries and the ideological reform movement, our intellectuals have beyond all doubt greatly raised their ideological levels, and the work of uniting with the intellectuals has been strengthened. However, certain deviations committed in the course of the above-mentioned campaigns have also alarmed and frightened a number of veteran intellectuals. In some extreme cases, a number of high-level intellectuals, because of their lack of correct understanding of the policy of the Communist Party, erroneously took the personal deviational practice of a number of individual Party members as the policy of the Party as a whole. This erroneous view has led intellectuals to become alarmed and worried. They have preferred to talk as little as possible because they were afraid. On the other hand, they have also preferred to steer clear of all Communist Party members in life. Because of this misunderstanding the potential power of a number of high-level intellectuals has not yet been developed today. This is a proven fact."

(b) Article in Chieh-fang Jih-pao, Shanghai, 24 February 1956.

"Many cadres look askance at the intelligentsia and fail to utilize them in national construction. They take the attitude that members of the intelligentsia served former regimes and were mostly members of the reactionary class which traditionally kept itself aloof from the proletariat."

- 4) Intellectuals in all professions were forced to undergo thought reform, and even the sciences were considered to have ideological orientations:

Report on the Physics, Mathematics and Chemistry Department of the Academia Sinica by Wu Yu-hsun, chairman. July 1955.

"At present a violent, ideological criticism movement is in progress. Persons in the fields of mathematics, chemistry, physics, and astronomy, have been exposed in the past to Idealist influences; we have to condemn these remnants of bourgeois idealism which hinder the development of science."

b. Present Policy

- 1) Intimidation of the intellectuals has eased up and a strong drive to gain their confidence and support is now in progress.

Chou En-lai started the current drive to curry favor with high-level intellectuals in January 1956 in two reports delivered by him to the Second Plenary Session of the Second CPPCC National Committee. The reports both contain the following three principles:

- (a) Improve the utilization and treatment of intellectuals;
 - (b) Trust and support intellectuals to the extent they deserve;
 - (c) Provide the intellectuals with necessary working conditions and suitable pay.
- 2) These principles and Mao's policy of "let all flowers bloom" were restated by Lu Ting-i, CCP Central Committee propaganda director, in a speech to CPR scientists on 26 May. He countered the stand taken by Wu Yu-hsun in July 1955 by stating:

"Natural sciences, including medicine, have no class character. They have their own laws of development. Their relations with social systems is only that under bad social systems these sciences develop slowly, and under better social systems they

can develop quickly. These are questions which have already been solved theoretically. Therefore, it is erroneous to attach class labels such as 'feudal', 'capitalist', 'socialist', 'proletarian', or 'bourgeois' to certain medical theories, or theories of biology or other natural sciences." (Reference seems directed toward the Pavlov and Lysenko cases specifically.)

- 3) The principles guiding the cultivation of intellectual support are to be realized by raising the wages of the intellectuals, granting more time for academic pursuits, enticing them into the party, and raising their ideological level by education and persuasion in a spirit of comradeship:

(a) Lo Lung-chi in a report on intellectuals to the June 1956 NPC:

"When the resolution of the State Council for Wage Reform is enforced, the pay for intellectuals, particularly scientists and technicians, will be increased to a greater extent than others."

"The high-level intellectuals were kept too busy and were asked to do a great variety of work. Since the Government announced its policy of guaranteeing the intellectuals at least five-sixths of their working days for academic work... more than three-fourths of the professors and scientists in Peking have solved their problems concerning the shortage of time."

(b) Article in Shanghai Chieh-fang Jih-pao, 24 February 1956:

"Cadres must overcome their erroneous attitude toward the intelligentsia and their conservatism in accepting intellectuals into the party. All scientists, doctors, engineers, professors, writers, and artists who fulfill the requirements of party membership should be brought into the ranks of the party."

(c) Li Wei-han, head of United Front Work Department, to the NPC:

"So far as the intellectuals are concerned, the purpose of education and study is to help them to continue self-reform, so they can gradually adapt their ideology to their changed, and changing social status."

"As the majority of the intellectuals have become a part of the working class, what is involved on the whole is a relationship within the working class. Therefore, the Communist Party members should in general establish Socialist relationships

of mutual aid and cooperation with non-Communist Party people. Their contradictions and differences should be dealt with in a spirit of comradeship."

"The main question here is first that Communist Party members must be required to place full confidence in non-Communist Party persons, seeing to it that they have the authority of their positions and helping them to carry out their functions and responsibilities to the fullest extent."

c. Necessity for policy change

- 1) At a meeting of the CCP Central Committee in January 1956 Chou En-lai set the next twelve years as the time necessary for China to overtake the rest of the world technically. A Planning Committee for Scientific Development was inaugurated on 14 March 1956 to strengthen the leadership in planning for the development of research. The chairman of this committee is Ch'en I and the vice-charmen are Li Fu-ch'un, Kuo Mo-jo, Po I-po and Li Ssu-kuang. The rank of these officials indicates the importance with which this project is regarded.
- 2) A policy change toward intellectuals is a very important step in striving for the 12 year goal since the intellectuals, as Lo Lung-chi admits, have become "alarmed and worried" and have "preferred to talk as little as possible because they were afraid."
- 3) Bullying of the intellectuals by the party cadre is also a serious hindrance to scientific progress. Li Wei-han, head of the United Front Work Department, told the NPC of the following shortcomings and faults of "certain Communist Party members":

"Not respecting the position and authority of non-Communist Party people and not supporting non-Party people in the carrying out of their functions and powers; brushing others aside and making arbitrary decisions, reluctance to consult non-Party people in doing things, intolerance of different opinions and opposing opinions, forcing their will on other people, to say nothing of not learning from the strong points of other people."

d. Context and perspective

- 1) It is apparent that the Communist leadership greatly needs the creative power of the intellectuals and is cognizant of the necessity for persuading the intelligentsia to use their abilities rather than

frightening them into it. The policy of "let all schools of thought contend" must again be considered a misleading one, however, as it apparently means only those schools of thought within the Marxist-Leninist framework are qualified to compete.

Mao Tun, in an article in the People's Daily 13 July 1956, said:

"We hope that the academic workers who do enter into competition and discussion will show sound reasoning, a sense of responsibility and a practical approach, and will not contradict universally recognized truths."

"I do not approve of setting various limits and drawing up regulations, such as the notion that we will compete better and discuss better if our discussions contribute to the strengthening of theories of Marxism-Leninism. It is not necessary to say so. . . . There is no question but that Marxism-Leninism guides our ideology, so why mention it as a limitation on the appeal?" (Emphasis added)

- 2) But how can the CCP be sure that all discussions will be within the Marxist-Leninist framework? Li Wei-han answers that:

"The overwhelming majority of intellectuals are now government workers."

The intellectuals are thus directly controlled by the government and heresy can be stamped out. A measure of relaxation in the control of subject matter is not dangerous in these conditions, yet the policy of contention, as interpreted by Lo Lung-chi, is a very limited relaxation:

"The policy of contention in the era of Socialism and collectivism aims at contention among the people for a common goal, toward a common direction, and for a common future. Let us take music by way of illustration. Contention in the era of Socialism and collectivism will be like music produced by a great orchestra. The pianist, the flute player, and the gong and drum player in the orchestra must each have his own specialized training. They must be able to coordinate for the benefit of all. The artistic level of an orchestra is a combination of the advancement of the specialized training of each member. The orchestra should encourage each member to advance in his own field of training and must not overlook the talent of any of its members. Performances must be given according to the types of music in which the people are interested. . . . The orchestra must give its performances under good organization, leadership, and conductorship. Only in this way will the music be in harmony."

- 3) This narrow interpretation of the policy was recognized immediately as a death blow to any initiative that might be aroused by the new policy. The People's Daily on 20 July took pains to renounce this interpretation:

"To 'contend' is not to sing in unison or in chorus. Debates and arguments, even nonconformity, are bound to appear. All 'schools' should create their own music, not merely play the music as designated by the director of an orchestra. So long as the music is not counter-revolutionary, they are entitled to the freedom to 'contend'."

Though it is possible that Lo sincerely misunderstood that policy, it seems more likely that his error was in choice of a metaphor which stated the actual policy too baldly, thereby spoiling the intended effect.

B. NATIONAL BOURGEOISIE

1. Past policy

a. 1951-52: Wu Fan (5-anti movement)

The Wu Fan mass movement in 1951-52 was a mobilization of class feeling directed primarily against the national bourgeoisie or merchants and manufacturers. W. W. Rostow describes the technique employed as follows:

"The development of evidence against them was encouraged by open and secret denunciations. The cadres then moved in and ruled on the extent to which individuals had or had not committed one of the five sins (bribery, tax evasion, fraud, theft of state assets, and leakage of state economic secrets.) The extent of guilt was assessed both morally and in terms of a fine. The final stage involved payment of the fine and a decision on future status. Then committees were set up to restore 'normal' business conditions under increased surveillance and control by the state."

"The 5-Anti Movement signaled an end to the regime's uneasy tolerance of those middle-class elements prepared to work with them in the New Democracy. Many alleged offenders were sent off to labor camps; others fled or committed suicide. Those who remained found themselves not only virtually without cash reserves but permanently reduced to the status of virtual civil servants under government control." The Prospects for Communist China, page 79.

- b. The Five Year Plan. Report by Li Fu-chun, Chairman of the State Planning Commission, submitted to the second meeting of the First National People's Congress, July 5-6, 1955:

"It is estimated that in the first Five Year Plan period the following achievements shall be scored in the transformation of private industry and commerce, namely: (1) The major part of /old fashioned/ private industrial enterprises shall be transformed into various forms of state-capitalist economy (including two forms lower than joint state-private ownership - ed.), while (2) the major part of modern/sic/ private industrial enterprises shall be transformed into the higher form of state-capitalist economy--joint state-private ownership; (3) over half of private commercial enterprises shall be transformed into (a) various forms of state-capitalist commercial enterprises or (b) into small cooperative commercial concerns organized by small traders and pedlars."

- c. January 1956 - "High tide of socialist transformation" of the private sector of the economy. NCNA February 2, 1956:

"Members of industrial and commercial circles in all places have proposed the slogan of 'catch up with the Capital /Peking/ and march toward Socialism'. The leadership organs at various places have extended the experience of Peking and rapidly pushed the movement to a high tide. Within 11 days after the approval of changeover of all private industry and commerce into joint enterprise, that is between January 10 and 20, an unprecedented high tide in Socialist transformation reached all the major municipalities throughout the nation. In these 11 days, all private industry and commerce were changed over to joint ownership in Sian, Tientsin, Shenyang, Chungking, Shanghai, Wuhan, Canton and other large municipalities."

The changeover from private to joint State-private ownership meant the passing of control of the businesses from the owner to cadres assigned by the State. These State cadres began immediately to amalgamate enterprises without waiting for detailed directions from the State Council. In many cases the amalgamations were so uneconomical that the State Council, on February 8, passed a ruling that no more changes in corporate structure or method of operation should take place for a six month period. From January until the present, therefore, the State-private enterprises have operated under cadre control but without being integrated into the public sector of the economy. The former owners and managers remained in managerial positions but in most cases decisions were made by the State representatives on the management staff.

"Education through persuasion. "

- a. Mass movements and intimidation are ostensibly not to be employed in dealing with the national bourgeoisie in the coming period:

Li Wei-han, head of the United Front Work Department, CCP, told the June 1956 National People's Congress:

"Since changes have occurred in the class relations, in the forms in which class contradictions and class struggle are expressed, the situation henceforth will be more favorable for using persuasion as the principal method in dealing with class contradictions and class struggle. The method of persuasion referred to here is the method of reasoning, of emulation, of criticism and self-criticism and encouragement coupled with criticism. Since education through persuasion is the principal method in dealing with class contradictions and the class struggle, educating and studying thus become the central task. Education and study should be carried out mainly in two ways: Learning from actual practice in work and vocational pursuits on the one hand, and from political and theoretical studies on the other hand. "

"To meet the demand for political and theoretical studies on the part of democratic personages of all circles, industrialists, and businessmen, the National Committee of the Chinese People's Political Consultative Conference published on March 27, 1956, a decision on organizing democratic personages of all circles, industrialists and businessmen for political and theoretical studies. The guiding principle of education as laid down by the decision just mentioned include the following:

- a) Participation in the studies program is on a voluntary basis;
 - b) Teaching methods must provide for free examination of questions and free debate;
 - c) No investigation is to be made into the past history of the ideology of those who participate;
 - d) As regards the conditions of study, non-Party people and Party members are to be treated on the same footing. "
- b. On relations between Communist Party members and the national bourgeoisie Li Wei-han continued:

"This relationship arose in large part in the course of the high tide of Socialist transformation. It is a new relationship, the establishment of which reflects the fundamental change in the original capitalist relations of production in those enterprises and the gradual transition of the bourgeoisie elements toward becoming working people. But the change has not yet been completed, and the transition, so far as a great majority of people are concerned, is only a first step. This type of working relations is, therefore, simultaneously a relation of classes. It is of vital political importance to deal with this relation correctly. There should be a common viewpoint on this question among workers, Communist Party members and representatives of private interests in these enterprises: That is, the enterprises are the principal center in which the capitalists and their representatives can be further united, educated and reformed (emphasis added). The capitalists and their representatives have long experience in industry and commerce, the most convenient path they can take to gradually transform themselves into genuine working people is to continue to work and learn in their enterprises."

- c. On treatment of the national bourgeoisie in the joint enterprises Li said:

"Capitalist representatives should be given a place in the structure of democratic management in the enterprises, and the division of work and responsibility, they must be given the authority of their positions. In the course of work, we must place confidence in them according to their deserts and bring their special abilities into full play. They should be awarded and commended without discrimination for their achievements and positive role. They should be helped in the spirit of good will to acknowledge and correct their defects and mistakes. In doing this work, representatives of Government shares and Communist Party members should pay attention to seeking the help of the Association of Industrialists and Businessmen and the China Democratic National Construction Association."

3. Necessity for change

During the "high tide of socialism" in January, so many private companies came under state management the Communists were unable to handle the problem of integrating them into the public sector of the economy. State production, distribution and reorganization plans for these enterprises had not been completed. Eager cadres assigned as State representatives on the management staffs of the industries nevertheless tried to proceed with amalgamations and operational changes on the local level. Economic confusion resulted and the State Council was

forced to halt all amalgamations for at least six months in order to complete plans for the necessary reorganizations. It now appears that the plans have still not been completed in all cases and that the former capitalists are to be asked to help the Communists integrate their businesses into the public economy.

a. Ch'en Yun speech on socialist transformation for private industry to the June 1956 National People's Congress:

"As a result of so quick a change [11days]/ many departments and many areas had no time to accumulate experience of bringing the enterprises of whole trades under joint State-private operation. Consequently, in the days when cymbals and drums were struck to celebrate the transformation, quite a few factories, handicraft shops, stores and transport establishments in many places were merged one after another. Among these, there were some that should not have merged, and some that could be merged but became too big in their combined size. In short, too many of such enterprises were amalgamated and the unit whose profits and losses should be calculated together grew too big. This blind tendency of amalgamation was stopped by a decision of the State Council on February 8."

"It is our opinion that the reorganization of enterprises cannot be done hastily; there must be adequate preparation. The decision of the State Council not to make any change for six months stopped certain confusions at the time and afforded the departments in charge the time to study and gain experiences and find measures for the reorganization of enterprises. However, this does not imply that after the six months, reorganization can be carried out in all the trades. No, the reorganization of all the industrial, handicraft, commercial, and transport undertakings should not be subjected to a time limit, it must be done with adequate preparation, through a step by step transformation of the respective trades in groups and by stages, linked with the arrangements for production and in conditions favorable to production."

b. Li Wei-han at the June 1956 National People's Congress:

"Capitalist representatives should be given a place in the structure of democratic management in the enterprises, and in the division of work and responsibility, they must be given the authority of their positions. They must also have a part to play in the reorganization and the transformation of the enterprises, and in the movement of socialist emulation."

- c. Relations between national bourgeoisie and state and party cadres in the joint enterprises have been poor and have been reflected in production.

Chen Yun at the June 1956 National People's Congress:

"Since the national changeover of capitalist industry and commerce to joint State-private enterprises, the question of satisfactory cooperation between representatives of the state and private interests has become a big one in many such enterprises, affecting their production and management."

4. Context and perspective

The merchants and industrialists, like the intelligentsia, command knowledge and experience essential to the rapid economic progress of China. Both classes have in the past been subjected to a reign of terror; thought reform for the intellectuals and five-anti campaign for the national bourgeoisie. After being thoroughly intimidated these two groups were incorporated into the state system.

Li Wei-han at the June 1956 National People's Congress:

"The overwhelming majority of intellectuals are now government workers. . . . A great majority of capitalists and their agents are beginning to become public service personnel of joint State-private enterprises and in some cases State-owned enterprises."

Vice Premier Chen Yun boasted at the National People's Congress that

"except for a few border areas, all capitalist industry and commerce has now come under joint State-private ownership. . . . It is not the first time in the world that private ownership has been changed to Socialist ownership, but its transformation by so peaceful a way with industrialists and traders throughout the country accepting the transformation in such high spirits, is an event unprecedented in history."

Li Wei-han provides the explanation of the peaceful transformation; the bourgeoisie were so intimidated by the five-anti movement that they rushed into joint enterprises to avoid a recurrence of the terror:

"It is well known that because of these (five evils), the working class, under the leadership of the Communist Party and the People's Government, carried out the historic struggle of Wu Fan which educated not only the mass of workers and Government functionaries, but also the

bourgeoisie. By this struggle, the bourgeoisie was enabled to get a profound understanding of the danger of their "five evils" to the Motherland and the people and of the necessity of accepting the leadership of the working class and embarking on the road of socialism. It is precisely for this reason that it has become possible to adopt a more moderate form of Socialist transformation today."

This incorporation of the commercial and industrial class into state enterprises established direct channels for Communist Party control over these individuals. The intellectuals are now functionaries in the state bureaucracy and controlled closely by CCP members in leading positions. The national bourgeoisie are now organized in joint enterprises. These joint enterprises are not used solely for business purposes, they are also--and perhaps most importantly--organizations for education and control of the bourgeoisie.

Li Wei-han at the June 1956 National People's Congress:

"As the Chinese Communist Party plays the leading role in State affairs, the relations of working together within Government organs, schools, and enterprises are mainly the relations between the Communist Party members and non-Communist Party people. In these relations, the Communist Party members should take the initiative and shoulder the main responsibility, while non-Communist Party persons also have their responsibility."

"The enterprises are the principal center in which the capitalists and their representatives can be further united, educated and reformed."

Although the broad reasons for transforming the economy from private enterprise to socialism are to some extent economic, the decision to speed up the process from a two year period to one month was apparently motivated by other factors. No overall plan had been formulated for integrating the large number of new joint enterprises into the public sector of the economy. The "blind" amalgamations and the almost immediate decision of the State Council to delay any changes in organization of enterprises for six months testify to that. The wage policy followed in the new joint enterprises increases the expenses of the enterprises. Wages of cadres superimposed on the operating enterprises also added to their overhead. The speed-up in socialization of these enterprises was probably carried out in order to increase control over the national bourgeoisie.

Thus the Communist regime recognized that the cooperation of the skilled businessmen is essential in building a strong state but were unwilling to

relax their intimidation of these people until direct lines of control over them were established. The current policy, regarding the national bourgeoisie, which appears liberal on the surface, is therefore an attempt to coax cooperation from the national bourgeoisie while maintaining complete control over their actions.

C. PEASANTS

1. Past Policy

a. The Five Year Plan

Submitted to the Second Meeting of the First National People's Congress, July 5-6, 1955, by Li Fu-chun, Chairman of the State Planning Commission:

"By 1957, the peasant households joining the present elementary forms of agricultural producers' cooperatives will make up about a third of all the country's peasant households."

"Under the present conditions, the agricultural producers' cooperative represents a means for increasing agricultural output that involves small investment and yields good results in a short space of time. It is also a step necessary to lead the peasants to Socialism. To move gradually from this elementary form of cooperation with initial technical improvements to a higher form of cooperation with mechanization of agriculture and other technical reforms is the way leading to the uninterrupted development of China's agricultural production."

"In our work, we must resolutely abide by the principle of the voluntary desire of the masses and that of mutual benefits."

This schedule called for one third of the peasants in elementary forms of coops by 1957--a relatively slow rate of change. The justification for the change was the necessity to increase production.

b. Mao Tse-tung himself accelerated this pace. July 31, 1955, speech at the Conference of Party Secretaries:

"The Party Center decision in the spring of 1955 to attain one million agricultural cooperatives means only an increase of 350,000 over the existing 650,000. I think this is a bit on the low side. Maybe it is needed to double the figure, that is, to

increase to 1, 300, 000 cooperatives."

"By the spring of 1958, there will be around 250 million of our population, or around 55 million peasant households, who will have joined the semi-socialist agricultural cooperatives, and they will constitute one half of the total of our rural population. . . We plan in 1960 to basically complete the semi-socialist transformation of the agricultural economy among the remaining half of the population."

- c. October 4-11 1955, Resolution of the 6th Plenum of the 7th CPP Central Committee:

"In places where the development of mutual aid and cooperativization is comparatively advanced, and where cooperativization by the summer of 1955 had grown to 30-40 percent of the total number of local peasant households, by the spring of 1957 70-80 percent of all the local peasant households should have joined agricultural cooperatives. In other words, cooperativization of a semi-socialist character will be basically achieved. In the majority of areas, agricultural cooperativization included approximately 10-20 percent of all peasant households in the spring of 1955. Semi-socialist cooperativization on the whole will be accomplished in these areas before the spring of 1958."

Between July and October 1955 the goals changed from one third in 1957 to four fifths in 1957.

- d. December 17, 1955, New China News Agency announced the existence of 1, 397, 000 cooperatives and the prospect of nation-wide basic completion in the autumn of 1956.
- e. June 19, 1956, Teng Tzu-hui, Director of the Seventh Office of the State Council, at the National People's Congress:

"By now, over 108 million peasant households have joined agricultural cooperatives, making up 90.4 percent of all peasant households in China; of these 73 million or 61.1 percent of all peasant households are in higher stage cooperatives, and 35 million or 29.3 percent of all peasant households are in elementary cooperatives. Therefore, on the whole, cooperativization has been attained in agriculture, basically transforming the small peasant economy."

The constant revision of the goal upward resulted in a drive that collectivized 75% of the households between the 1955 harvest and the 1956

planting period. This movement occupied the peasants during the time they usually participate in sideline production to supplement their incomes, and with the households already collectivized, brought the total member of households in cooperation to 90%, itself an excess of the October 1955 goal. Of these, 60% of all peasant households are in higher level cooperatives, quite a contrast from the modest goal of July 1955 of one third in elementary cooperatives next year.

2. Present Policy

"Increase the income of 90% of the cooperative members." "Overcome the tendency to lay one-sided stress on collective and national interests while overlooking the interests of the individual."

- a. In planning the "socialist high tide" in collectivization the top leaders assumed that labor was almost wholly idle during the winter and could be mobilized with little economic strain. Official doctrine swung to the other extreme by May and it was claimed that sideline occupations, many of which are pursued during the winter, contribute one-third of the peasants' aggregate income. (People's Daily, 20 May 1956). The officials began to recognize that the collectivization procedures and labor mobilization for "capital projects" in the new collectives might increase the production of major crops, but would also lower the peasant income in two ways: first, it takes the peasants away from sideline production and thus leaves them without funds to tide over until the harvest is in and the distribution completed; second, the investments necessary in a number of capital projects involve depletion of cooperative funds, or payment of interest for loans, which in many cases became so large in relation to total cooperative income that, even with an increase in total production, cooperatives face a possible decline in individual income.
- b. Individual income was considered of secondary importance as late as mid-March 1956. An article in Cheng Chi Hsueh Hsi on 13 March declared "Only when collective interest is taken care of first will it be possible for us to take care of individual interest." Provincial authorities criticized "blind development of sideline production" as late as April.
- c. During April the press began to be concerned with the extent of non-productive capital investments in the cooperatives. Teng Tzu-hui, director of the Rural Work Department of the CCP, recognized the problem in a speech recommending means for guaranteeing production and increasing individual income. Teng also warned against too high a concentration on principal crops alone. On 12 May the Tientsin Ta Kung Pao criticized "stagnant conditions" in the rural

areas, "one of whose main causes is the decline in sideline production". Since then the People's Daily has admitted that the one universal worry of the peasantry is reduction in income, that "peasants' minds can hardly become steady right away", and that the failure to take care of sideline production was a result of inexperience in administering the collectives.

- d. The policy change was best expressed by Liao Lu-yen, Minister of Agriculture, in his June 15th explanation of the new Draft Regulations for High State Cooperatives:

"The central, key point at present in order to consolidate and develop the... cooperatives is correct handling of the relationship between the individual and the collective, overcoming the tendency to lay one-sided stress on collective and national interests while overlooking the interests of the individual."

- e. The gravity of the problem is demonstrated by the measures proposed in May by Teng Tzu-hui to combat it:

- (1) Treat individual income as a major policy question, rather than as ancillary to production.
- (2) Cut all non-productive expenditure and plan to build cultural and health facilities only gradually--stop attempting to "reach heaven with one step".
- (3) Set limits on the public expenditure of money. Production fees should be kept to 15-20% of annual income, reserve and welfare funds should generally be less than 8% of annual income. (Earlier instructions in Kwangsi said 15% was advisable).
- (4) The proportion of total annual production divided as shares to the membership must be 60-70%.

Teng said that under these programs, 90% of cooperative members can increase their income this year over last.

- f. Teng Tzu-hui, Director of the Seventh Office of the State Council (Agriculture), at the National People's Congress:

"This year's wheat harvest will be followed by the first distribution of agricultural income since the development of cooperation on a massive scale. This distribution must insure

that 90 percent of the cooperative members increase their income while the income of the remaining members should be the same as before. Only in this way can the enthusiasm of the peasantry for production be brought into full play and the cooperative be consolidated."

Teng Tzu-hui points out many faults in the program of rapid collectivization yet indicates that it will be resumed following the fall harvest.

"Another upsurge is expected this winter and next spring when higher stage cooperation will spread to most provinces in the country."

- g. Liao Lu-yen, Minister of Agriculture, at the June 1956 National People's Congress:

"The central key point at present in the further consolidation and development of the agricultural producer cooperative is the correct handling of the relationship between the individual cooperative members and the collective; correct coordination between the interests of the individual cooperative member and those of the collective. The tendency to overemphasize the interests of the collective and the state and to neglect the interests of individual cooperative members should be eliminated."

- h. Liao further states that the peasants should receive an increase in income even if production is not increased after collectivization:

"If the production of cooperatives does not increase rapidly, the cooperative can reduce the amount of sinking funds for the purpose of increasing the income of each individual member. This regulation is very necessary for ensuring the adequate coordination of collective and individual interests, and will undoubtedly elevate the members' enthusiasm further and contribute to the development of the cooperatives."

3. Necessity for change

- a. The necessity for raising the income and living conditions of the peasants is stated by Teng Tzu-hui as follows:

"A too rapid and too great increase in public funds, disregarding the production growth of the cooperative and the present living conditions of the individual members, and the expense of the members income, would necessarily undermine the com-

munity of interests of the individual and the collective. Consequently, it would be impossible to consolidate the cooperative. Only when the public funds are suitably accumulated on the basis of adequately increasing the income of the membership can the membership become more keenly interested in the interests of the collective and work more energetically. In this way, not only will the cooperatives be consolidated, but more public property can be accumulated more quickly."

The socialist "upsurge" predicted by Teng for next winter and spring will be more readily carried out if it can be demonstrated to the peasants that material benefits will be theirs in the higher stage cooperatives.

- b. This projected 'socialist upsurge' into the higher stage cooperative is significant in the light of what Li Fu-chun said just one year ago when presenting the Five Year Plan:

"To move gradually from this elementary form of cooperation with initial technical improvements to a higher form of cooperation with mechanization of agriculture and other technical reforms is the way leading to the uninterrupted development of China's agricultural production."

- c. The difference between elementary agricultural producers cooperatives and higher stage producer cooperatives as stated by Liao Lu-yen:

"The elementary agricultural producer cooperatives pooled the land as shares under centralized management on the basis of private ownership while the higher stage cooperatives have full collective ownership of the means of production. This is the basic difference between the elementary agricultural producer cooperatives and the higher stage agricultural producer cooperatives."

There is generally another difference between the two types of cooperatives. A higher stage cooperative is usually formed by amalgamating several of the lower stage cooperatives, and incorporates several thousand people.

The problem of leadership in the cooperatives has been a large one in the past. The charge of "middle peasant control of the cooperatives" was common. This meant the cooperatives were refusing to observe state quotas, failing to pay taxes and deliberately underreporting grain stocks and production. The decision to move rapidly rather than gradually from the elementary stage to the higher stage cooperative may be prompted by a shortage of reliable leaders in the rural areas.

4. Context and perspective

- a. Within the past year the peasantry, like the national bourgeoisie, has been organized into controllable units by the CCP and the State. The basic problem again confronting the Chinese leaders is how to get cooperation out of people when they are under such complete control. The current emphasis on the interests of the peasants has strong elements in common with the new policy towards intellectuals and national bourgeoisie. The plan for the organization of the peasants into easily controlled groups was radically speeded up in the past year until nearly the entire segment of the population is now involved. This speed-up was generally uneconomical since over-all production and distribution plans had not been finished. The result has "affected the economic balance of society and the supply of raw materials for certain industries and handicrafts" according to Teng Tsu-hui. Yet the process is to be completed as rapidly as possible after the fall crops are in. Again the establishment of the organization of control over all individuals in the Chinese society considered to be "people" seems to be the main incentive for the rate of collectivization. A corollary to this is that the anti-Communist elements of the society will be isolated and therefore ineffective.

Teng Tzu-hui at the National People's Congress:

"This consolidation of the worker-peasant alliance and the stronger unity between poor and middle peasants is also completely isolating the former landlords, rich peasants, counterrevolutionaries, and other undesirable elements, making it easier for us to peacefully transform the rich peasants and all the other exploiting classes."

- b. The elementary form of cooperative, as discussed above, apparently proved inadequate as a form of organization for the control of the peasants and the agricultural economy. This would appear to be the explanation for the short time which elapsed before the higher stage collectives were imposed on the peasants.
- c. Control of the production by the State and of the peasants by the CCP are illustrated by the following two articles or organization of the Huo-yen Agricultural Collective located in Hsing-tai Hsien, Hopeh:

Article 38: All decisions made by the membership meeting must be in conformity with the state plans and policies and in line with the principles of collective and individual interests.

Article 41: The director of the collective is responsible for the overall leadership. He must correctly grasp and execute the various party policies and rely on the masses to fulfill the production tasks under the leadership of the Party. (The articles of organization appeared in the Peiping Chung-kuo Nung-pao, 25 March 1956, pp. 28-30. It was offered as a model for other collectives to follow. Although the source is unclassified reference to it should not be made in widely disseminated overt publications.)

- d. The problem now facing the regime is how to make the peasants produce now that they are enclosed in the socialist straightjacket. The Communists admit that without a surplus in agricultural production the industrialization program will fail, and that an agricultural surplus will be possible in sufficient quantities only when the peasantry is imbued with "production enthusiasm". This "production enthusiasm" is expected to result from an across-the-board increase in income. The funds for this increase will not come from the state. They are to come from the increase in production expected as a direct result of cooperativization. If, as is most likely, an insufficient increase in production results from cooperativization, the increased incomes are to be financed at the expense of the cooperative sinking fund. Since this sinking fund stems from the compulsory investment of the individual peasant in the cooperative when he joins it, he is in effect getting an increased income at the expense of his own capital, or in other words at his own expense. An increased income from a subsidy by the state would be real; but this increase, financed by cooperative funds, decreases the amount of construction possible in the future. Thus the state proposes, in effect, to raise the income of the peasants by dipping into capital reserves designed to finance future operations of the cooperatives or act as a cushion against hard times. In other words, the peasant's 1956 income is to be raised at the expense of his future standard of living, and at the expense of sound financial management of the cooperatives.

D. NATIONAL "DEMOCRATIC" PARTIES IN THE "PEOPLE'S DEMOCRATIC UNITED FRONT"

1. Past Policy

- a. Under the Organic Law governing the CPPCC, parties and organizations eligible for recognition as political entities in Communist China must have first agreed to a statement of principles which was essentially a statement of the short term goals of the CCP.

The Organic Law of Chinese People's Political Consultative Conference (CPPCC) 27 September 1949:

"Article 1. The CPPCC is the organization of the democratic united front of the people throughout China. Its aim is the rallying of all democratic classes and nationalities throughout China through the unity of all democratic parties and groups and people's organizations, to exert joint efforts in carrying out New Democracy, etc.... to establish and consolidate... the Chinese People's Republic of the People's Democratic Dictatorship led by the working class and based on the alliance of workers and peasants."

"Article 2. Democratic parties and groups and peoples organizations which agree to Article 1 of this Organic Law may take part in the CPPCC after being approved by the National Committee of the CPPCC through consultation."

- b. These parties accepted entirely the leadership of the CCP and served merely as links to the sections of the populace that were least in contact with the CCP, which was ostensibly a workers and peasants party.

Joint declaration in May 1950 by the democratic parties:

"We, the democratic parties of China, are unconditionally united under the leadership of the great Communist Party and Chairman Mao Tse-tung for the building of an independent, free, democratic, united and prosperous China."

- c. In practice, despite an occasional show of formalities, the democratic parties were completely puppet parties without real function. Li Wei-han at the 1956 meeting of the NPC admits this:

"Some say: 'In the Communist Party there are those who do not take democratic parties seriously, while in the democratic parties themselves there are also those who do not take democratic parties seriously'. This is not, I believe, merely a matter of the viewpoint of certain people but is a reflection of a social phenomenon."

- d. This is an authoritative admission that the Communists have considered the democratic non-partisans of no real importance in the political scheme of things, an attitude which has not been without influence on the democratic personages themselves.

a. Li Wei-han at the June 1956 National People's Congress:

"Democratic parties play an important role not only in uniting and mobilizing (rallying) all positive forces but also in mutual supervision. The Central Committee of the CCP has put forward the policy that the Chinese Communist Party should coexist with democratic parties over a long period of time, and that there should be mutual supervision and first of all supervision over the Chinese Communist Party. This is a momentous policy."

"We must have strict respect for the political freedom and independence of organization enjoyed by the democratic parties and people's organizations within the framework of the rights and obligations laid down by the constitution. No party or organization has the right to interfere in this freedom and independence enjoyed by other parties or organizations."

"The task before us is to continue to consolidate and expand the People's Democratic United Front, unite together all possible forces, and strive for our common target."

b. NCNA report on CCP United Front Work Conference held July 2-4, 1956:

"At the conference, Li Wei-han stated that it was a mistake for some to think that following the victory of the Socialist transformation the democratic parties would not be needed."

c. This is a radical change from a situation where no CP cadre took the democratic parties seriously to the present policy of "mutual supervision" which ostensibly allows these parties to supervise the CCP.

3. Necessity for change

a. The change in the wording of the policy toward democratic parties is very slight, but in practice the change may be of some significance. The parties may expand their memberships and take a more active role in criticising functionaries of the government.

NCNA report of the United Front Work Conference, July 4:

"Leaders of local organizations of all parties stressed the need to expand their organizations. They said they needed more full-time officials... Local organizations asked for leading members of their parties to be relieved of governmental work to be able to concentrate more on building up the parties."

- b. This change is prompted by the recognition by the CCP that the entire productive population of China must be mobilized to meet the twelve year goals set early this year. Since no one took the democratic parties seriously, it was necessary to find a larger role for them to play. In this way the CCP hopes to make a larger share of the people identify their interests with those of the State..

Mao Tse-tung as quoted by Li Wei-han at the National People's Congress:

"Affairs of state are the public concern of the whole people, not the private business of a party or a group such as the CCP."

- c. Branches of some of the democratic parties are active in Southeast Asia. Peking's drive to bring skilled overseas Chinese back to the mainland may be more successful if the overseas Chinese can be made to think their parties are actually participating in the government of the CPR.
- d. A more democratic appearance in Communist China's government may be calculated to please the leaders of neutral nations in South Asia and the Near East and strengthen her claim to recognition by the other countries of the world.

4. Context and perspective

- a. In discussing the policies on the relations between CCP members and other members of the society it was noted that non-Communist intellectuals, peasants and national capitalists were given more latitude of action only after two conditions had been satisfied:
- 1) The groups had demonstrated acceptance of Communist ideology and
 - 2) Organizational controls had been established linking the individual and the state either directly or indirectly (cooperatives).
- b. Although the organizational controls over the democratic parties are not as readily demonstrable as in the other cases, speeches by Li Wei-han and leaders of the democratic parties indicate that the two conditions were met before the "mutual supervisions" aspect of the policy was evolved. Under the Organic Law of the CPPCC the parties had to agree to Communist aims but they were not considered ideologically oriented in Communism to the point

where they could be trusted to criticize along "correct" lines. Li Wei-han indicates that their leaders have "raised their ideologies" in the past seven years:

"The various democratic parties have accepted Socialism and adopted political lines in the service of Socialism. These changes reflect the expansion and strengthening of Socialist unanimity, both political and ideological, among our whole people. They express the further consolidation and expansion of our People's Democratic United Front. These changes have, moreover, created favorable conditions for the continued consolidation and expansion of the People's Democratic United Front."

- c. The leaders of the democratic parties have issued statements which indicate that they recognize their new role in the "expanded" united front as one of criticism of government agencies and functionaries within the framework of Communist ideology. Their chief function will still be to unite as many non-Communist elements of the society as possible under the leadership of the Communists. Never will they criticize actual policies or the reasons behind policies as political parties in the Western sense do as a matter of course.

NCNA report of the United Front Work Department meeting July 4, 1956:

"They (leading personages of the democratic parties) unanimously expressed the determination to develop positive influence henceforth, to unite all circles capable of uniting, and to serve jointly the interests of Socialist undertakings. In order to cope with the new situation, they were of the opinion that the members of the democratic parties should further raise their ideological consciousness, and should further develop and consolidate their organizations. They also requested the Communist Party to strengthen its leadership over the democratic parties."